Trade Commission charged from Drug Industry

1653. SHRIMATI SATYA BAHIN: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that trade commission charged from the Drug Industry varies from 46 per cent to 70 per cent;

(b) what is the basis for variation and for its enhancement;

(c) whether it is a fact that MAPE was increased without any study and basis; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) Under DPCO 1987 no manufacturer, distributor or wholesaler shall sell a formulation to a retailor, at a price equal to the retail price (Excluding excised duty, if any) minus 16 per cent thereof in the case of price controlled drug.

(c) and (d) The increase in MAPE under DPCO 1987 is based on the measures announced in 1986 by the Government for Rationalisation, Quality Control and Growth of drugs and Pharmaceutical Industry in India.

Drug Prices Review Committee

1654. SHRI BEKAL UTSAHI: Will the PRIME MINISTER be pleased to state:

(a) what is the role of Drug Prices Review Committee and what is its composition;

(b) whether it is an inter-ministerial committee or an authority sub-ordinate to BICP;

(c) whether it is a fact that this committee refused to work out the prices of formulations based on reduced prices of bulk drugs effected during 1990 and 1991;

(d) if so, what are the names of bulk drugs whose prices have been reduced during 1990 and 1991 and whose formulation prices have not been reduced or reduced after three months of reduction of bulk drugs; and

(e) how much loss caused to the consumer in each case ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) The role of the Drug Prices Review Committee is to evolve suitable procedures for recommending prices of formulations under DPCO, 1987 and to advise the Government suitably on matters relating to pricing of formulations for effective implementation and other related matters.

This Committee comprises of Chiarman, BICP, Joint Secretary (Pharmaceutical Industry) in the Ministry of Chemicals and Fertilizers, Deputy Director General (Drugs/Chemicals) in DGTD and Drugs Controller (India) in the Ministry of Health and Family Welfare.

(b) This is an inter-ministerial Committee.

(c) to (e) BICP has asked for certain clarifications with regard to reduction in the prices of bulk drugs before working out the prices of formulations.

Recovery of difference in respect of bulk drugs

1655. DR. RATNAKAR PANDEY: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that provision 7(2) of Drugs Prices Control Order empowered Government to recover the difference in respect of bulk drugs;

(b) whether it is also a fact that Supreme Court Judgement and undertakings submitted by drug companies enabled Government to recover the difference in respect of formualtions;

(c) whether it is a fact that Government have not assessed the amount based on the difference in respect of formulations; and

(d) if so, names of the companies, drugs and formulations involved herein and reasons for non-assessment in respect of formulations ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (d) The process of determination of the final liabilities of the Companies in terms of Para 7(2) of DPCO 1979 and in the background of the Supreme Court's

judgement in respect of bulk drugs and formulations, as the case may be, is still in progress and has not yet been finalised.

Decontrol on the price of Glybenclamide

1656. DR. RATNAKAR PANDEY: Will the PRIME MINISTER be pleased to state:

(a) what are the reasons for the decontrolling the price of Glybenclamide;

(b) whether it is also a fact that decontrol was contrary to the five criteria of Kelkar Committee;

(c) if so, the details of principles applied in the removal of drug from price control;

(d) whether it is also a fact that it has enabled the company to charge Rs. 3.50 crores extra per annum from public;

(e) if so, what was the price of Glybenclamide formulations before price decontrol and what is the present price; and

(f) what was the sales turn over of these formulations during 1990-91?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (f) Glybenclamide has been exempted from price control on a specific recommendation made by the Kelkar Committee in its Supplementary Report, a copy of which is available in the Parliament Library. As per available information, the price of Glybenclamide Tablets (5 mg was fixed by the Government at Rs. 8.88 (10x10's) under DPCO 1987. As per company's price list (Dec. 1990) its price is Rs. 17.00 (10x10's strip)|

Sales turn over of formulations is not monitored.

Findings of Cost studies on Drugs

1657. DR. RATNAKAR PANDEY: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government have detected some errors, omissions and commissions in the findings of cost studies on drug by BICP;

(b) if so, what are the details and names of bulk drugs and formulations involved;

(c) whether it is also a fact that such instances have been brought to the notice of Industry Ministry; and

(d) if so, when and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (d) Price of bulk drug is fixed by the Ministry after examination of the report on cost-cum-technical study of the bulk drug submitted by BICP. In certain cases, clarifications are sought from BICP on their recommendations before arriving at a final decision.

Price of bulk Insulin

1658. DR. RANAKAR PANDEY: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government have reduced the price of bulk insulin under DPCO, 1987;

(b) if so, when and what was the earlier and reduced price;

(c) when were the formulation prices reduced based on this drug and what were the earlier and reduced price of each;

(d) whether it is also a fact that the formulator increased the prices instead of reducing by marketing under generic name; and

(e) if so, what steps have been taken so far to rectify the situation?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) Yes, Sir. The price of bulk insulin was reduced on 6-3-1990 from the existing level of Rs. 14,970/- to Rs. 13,991/- per M.U. The pre-reduced price was fixed on 20-6-1985.

(c) to (e) As per available information, the formulations based on bulk insulin are being marketed in generic names. Under DPCO, 1987, single ingredient Category II formulations sold under generic name are exempt from price control and manufacturers are free to charge their own prices.